

## Message Text

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ACTION EUR-12

INFO OCT-01 AF-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00  
EB-08 FRB-01 INR-10 NSAE-00 SP-02 STR-07 TRSE-00  
LAB-04 SIL-01 OMB-01 NEA-10 DOTE-00 L-03 /076 W  
-----084746 111828Z /50/42

R 101938Z APR 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 5936  
INFO AMEMBASSY ABIDJAN  
AMEMBASSY BAMAKO  
AMEMBASSY NDJAMENA  
AMEMBASSY YAOUNDE  
AMEMBASSY PARIS

UNCLAS SECTION 1 OF 2 BRUSSELS 06951

USEEC

C O R R E C T E D C O P Y PARA. 4.A. PREVIOUSLY OMITTED

PARIS FOR OECD  
BAMAKO FOR SHEAR

E.O. 11652: NA  
TAGS: EAID EEC XA  
SUBJ: BRUSSELS MEETING ON CHAD ROADS, APRIL 4

REF: (A) STATE 031581 (B) NDJAMENA 0755

1. SUMMARY: SUBJECT MEETING WAS HELD AT EC HEADQUARTERS  
IN BRUSSELS, APRIL 4, 1978. ALTHOUGH THE AID DONOR  
COMMUNITY EXPRESSED ITS CONCERN OVER NOT HAVING PRIOR  
ACCESS TO ECONOMIC AND TECHNICAL DOCUMENTS ON WHICH  
DECISION FOR FINANCING COULD BE BASED, THE MEETING NEVER-  
THELESS SUCCEEDED IN OBTAINING FINANCIAL COMMITMENTS FROM  
DONORS FOR VIRTUALLY ALL OF THE MOUNDOU-GIDJIBA ROAD.  
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DONORS WERE FAR LESS FORTHCOMING ON BONGOR-LAI ROAD.  
END SUMMARY

2. PRESENT AT THE MEETING WERE THE FOLLOWING: EEC,  
ISLAMIC DEVELOPMENT BANK (IDB), DEVELOPMENT BANK OF THE  
CENTRAL AFRICAN STATES (BDEAC), IBRD, SAUDI DEVELOPMENT  
FUND (SDF), ARAB BANK FOR AFRICAN ECONOMIC DEVELOPMENT

(BADEA), FRANCE (FAC), THE FEDERAL REPUBLIC OF GERMANY AND U.S. AID. CHAD MINISTER OF ECONOMY, PLAN AND TRANSPORT, TOGOI, WAS PRESIDING OFFICER. CHAD AND CAMEROON AMBASSADORS ACCREDITED TO EC WERE ALSO PRESENT. AFRICAN DEVELOPMENT BANK (BAD) WAS NOT REPRESENTED BUT EXPRESSED ITS COMMITMENT TO PROJECT IN WRITING,

3. CHAD AND CAMEROON REPS STRONGLY ENDORSED MOUNDOU-GIDJIBA AND BONGOR-LAI ROAD PROJECTS, PROVIDING SUMMARY ECONOMIC JUSTIFICATION FOR EACH. THE MAJORITY OF DONORS PRESENT NEVERTHELESS REGISTERED THEIR CONCERN AT NOT HAVING HAD IN HAND THE VOLUMINOUS DOCUMENTATION AND FINAL ENGINEERING PLANS EXISTING FOR BOTH ROADS. THEY EXPRESSED A DESIRE TO OBTAIN THESE DOCUMENTS AND REVIEW THEM BEFORE TAKING A FINAL DECISION. ECEUROPEAN DEVELOPMENT FUND (EDF) REPRESENTATIVES EXPLAINED THAT ECONOMIC AND TECHNICAL DOCUMENTS, INCLUDING BID DOCUMENTS, EXISTED FOR THE MOUNDOU-GIDJIBA ROAD. FOR THE BONGOR-LAI ROAD NO DEFINITE ECONOMIC STUDY EXISTS, BUT TECHNICAL ENGINEERING STUDIES HAVE BEEN COMPLETED. QUESTIONS CONCERNING DESIGN STILL REMAIN, HOWEVER. FOREGOING DOCUMENTATION HAS BEEN UP-DATED TO REFLECT CURRENT PRICES, AND EDF OFFICIALS INDICATED THEY WILL REPRODUCE IT FOR DISTRIBUTION TO PROSPECTIVE DONORS.

4. BECAUSE OF INSUFFICIENT DOCUMENTATION AND GENERAL UNCLASSIFIED

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ABSENCE OF TECHNICALLY QUALIFIED EXPERTS, CHARACTER OF BRUSSELS MEETING CHANGED FROM ANTICIPATED TECHNICAL REVIEW TO A PLEDGING SESSION. A NUMBER OF DONORS PRESNT WERE PREPARED TO MAKE FINANCIAL COMMITMENTS WHICH VIRTUALLY ASSURED FINANCING OF THE ENTIRE MOUNDOU-GODJIBA ROAD. COMMITMENTS OF DONORS FOR THIS ROAD, SUBJECT TO THEIR RESPECTIVE REVIEW REQUIREMENTS, WERE AS FOLLOWS:

A. IBRD: \$10 TO \$14 MILLION FOR THE PORTION OF THE ROAD WITHIN CHADIAN TERRITORY. IBRD ALSO CONSIDERING CONTRIBU-  
TION TO CAMEROON SECTION, AMOUNT AS YET UNDEFINED. IBRD WILL REQUIRE ITS NORMAL APPRAISAL PROCEDURES BEFORE FORMALIZING ITS COMMITMENT.

B. SAUDI DEVELOPMENT FUND: 3,6000 MILION CFA (\$1.00 EQUALS 240 CFA).

C. BDEAC: 600 MILLION CFA.

D. BAD: 2,560 MILLION CFA.

E. EEC: 3,000 MILLION CFA.

TOTAL COMMITMENTS, EXPRESSED IN CFA, AMOUNT TO 13,120 MILLION AGAINST TOTAL COST OF THE ROAD OF APPROXIMATELY 17,000 MILLION CFA, ASSUMING ANTICIPATED EXONERATION OF

TAXES. IF THE IBRD MAKES COMMITMENT TO THE COMEROON SECTION OF THE MOUNDOU-GIDJIBA ROAD EQUIVALENT TO ITS CONTRIBUTION TO THE CHAD SECTION, THE FINANCING GAP WOULD BE REDUCED TO APPROXIMATELY 500 MILLION CFA (ABOUT \$2 MILLION)

5. ABOVE COMMITMENTS WERE ALL SUBJECT TO: (A) RESPECTIVE DONORS HAVING ACCESS TO DOCUMENTATION DISCUSSED IN PARA 3 ABOVE; AND (B) FINAL REVIEW BY RELEVANT DONOR AUTHORITIES.

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EB-08 FRB-01 INR-10 NSAE-00 SP-02 STR-07 TRSE-00  
LAB-04 SIL-01 OMB-01 NEA-10 DOTE-00 L-03 /076 W  
-----073425 102021Z /42

R 101952Z APR 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 5937  
INFO AMEMBASSY ABIDJAN  
AMEMBASSY BAMAKO  
AMEMBASSY NDJAMENA  
AMEMBASSY YAOUNDE  
AMEMBASSY PARIS

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PARIS FOR OECD  
BAMAKO FOR SHEAR

FRANCE (FAC) ALSO EXPRESSED WILLINGNESS TO CONSIDER CONTRIBUTIONS TO BOTH ROADS WITHIN ITS GLOBAL AID LEVELS FOR CHAD. THE FEDERAL REPUBLIC OF GERMANY EXPRESSED A SIMILAR INTEREST, CITING NO SPECIFIC AID FIGURE. THE ARAB BANK FOR AFRICAN ECONOMIC DEVELOPMENT (BADEA) AND THE ISLAMIC DEVELOPMENT BANK (IDB) BOTH EXPRESSED A STRONG INTEREST IN CONTRIBUTING, ALTHOUGH THEY WERE UNDECIDED ON WHETHER THEIR RESOURCES SHOULD GO TOWARD ROADS OR OTHER OPROJECTS (E.G., LAKE CHAD POLDERS SUCH AS MAMDI).

6. LACK OF COMMITMENT BY TWO OF THE ARAB DONOR INSTITU-

TIONS (BADEA AND IDB) EVOKED SHARP REACTION BY CHAD MINISTER OF ECONOMY WHO URGED THEM TO REACH A FINAL, POSITIVE DECISION.  
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7. US POSITION, AS EXPRESSED REF A, WAS ALREAD KNOWN TO CHAD REPRESENTATIVES. US DELEGATION URGED THAT EXISTING DOCUMEENTATION ON BOTH ROADS BE REPRODUCED AND DISTRIBUTED TO POTENTIAL DONORS.

8. WHILE FINANCING FOR MOUNDOU-GIDJIBA ROAD THUS APPEAR VIRTUALLY ASSURED, EXCEPT FOR APPROXIMATELY \$2 MILLION GAP, DONORS WERE FAR LESS FORTHCOMING REGARDING BONGOR-LAI ROAD. CHAD MINISTER OF ECONOMY PROPOSED THAT THE TWO UNCOMMITTED ARAB FINANCIAL INSTITUTIONS (PARA 6 ABOVE) DEVOTE THEIR ATTENTION TO THE BONGOR-LAI ROAD. THE SAUDI FUND (SDF) INDICATED IT IS PREPARED TO SET ASIDE \$15.3 MILLION FOR THIS ROAD. OTHER THAN MILD EXPRESSIONS OF INTEREST BY FAC AND FEDERAL REPUBLIC OF GERMANY, POTENTIAL FINANCING FOR THIS ROAD WAS NOT DISCUSSED IN DETAIL. CHAD REPRESENTATIVES APPEARED RESIGNED TO THIS FACT, SINCE THEY ALLOCATED RELATIVELY LITTLE TIME FOR CONSIDERATION OF THIS ROAD (COMPARED TO MOUNDOU-GIDJIBA DISCUSSIONS WHICH OCCUPIED VIRTUALLY ENTIRE SESSION).

9. PLEDGES HAVING BEEN RECEIVED, THE MEETING TURNED TO A DISCUSSION OF VARIOUS PROJECT IMPLEMENTATION PROBLEMS, INCLUDING RESPONSIBILITY FOR SUPERVISING CONSTRUCTION (EDF HAS VOLUNTEERED), THE QUESTION OF ONE CONTRACTOR POTENTIALLY HAVING TO DEAL WITH TWO ADMINISTRATIONS (CHAD AND CAMEROON), PROCUREMENT REGULATIONS, TIMEING OF BID TENDERS AND ACTUAL TIMING OF CONSTRUCTION.

10. FOLLOW UP MEETING NOW SCHEDULED FOR NDJAMENA MAY 30-31. IT IS ASSUMED DONORS BY THEN WILL HAVE RECEIVED AND REVIEWED TECHNICAL DOCUMENTATION REFERRED TO ABOVE. PURPOSE OF NDJAMENA MEETING WILL BE TO: (A) MAKE DETAILED  
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ARRANGEMENTS FOR FINANCING AND IMPLEMENTATION PLANNING FOR MOUNDOU-GIDJIBA ROAD; AND (B) IDENTIFY SOURCES OF FINANCING FOR BONGOR-LAI ROAD. MORRIS

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## Message Attributes

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**Disposition Approved on Date:**  
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Sheryl P. Walter  
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